STATE OF HAWAII
STATE PROCUREMENT OFFICE
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www.spo.hawaii.gov

December 1, 2009

TO: Office of the Governor
Office of the Lieutenant Governor
Executive Departments/Agencies
University of Hawaii
Senate
Judiciary
County of Hawaii
Hawaii Department of Water Supply
County of Kauai

FROM: Aaron S. Fujioka
Administrator

SUBJECT: Energy Savings Performance Contracting Training Session
SPO Vendor List Contract No. 09-01
Energy Savings Performance Contracting Services

The State Procurement Office (SPO) Vendor List Contract No. 09-01 for Energy Savings Performance Contracting (ESPC) services has been in effect for one year. The SPO Vendor List Contract (VLC) instructions are available on the SPO website at http://hawaii.gov/spo. Click on "*SPO Price List/Vendor List Contracts*" at the main menu. At the search screen, enter the VLC No. 09-01. Scroll to page 3 through 8 for VLC instructions.

The pre-qualified Energy Service Companies (ESCO) named on the VLC are Amereso/Pacific Energy JV, Chevron U.S.A. Inc., Honeywell International Inc., Johnson Controls Inc., Noresco LLC, Trane Inc. and Siemens Building Technologies, Inc.

The SPO, on behalf of the Department of Accounting & General Services (DAGS), Public Works Division, is conducting a one-day training session on December 18, 2009 from 9:00 a.m. to 4:30 p.m. in Room 322B/C at the Kalanimoku Building, 1151 Punchbowl Street. Guest presenter, Mr. David Birr, will provide his expertise in contracting services for energy savings contracts.

The training session will cover use of the SPO VLC; an overview of ESPC savings projects; lessons learned; opportunities to improve the instruction process; fundamentals of ESPC; important concepts to understand while implementing a project and an opportunity to meet ESCO's personnel.

The training session is essential to properly utilize the SPO VLC. Attendance is recommended for procurement, technical and finance personnel. **Registration for the one-day session is on the SPO training website at http://www4.hawaii.gov/spoh/tng/traininingschedule.htm**.

Your staff may contact Stanton Mato at 586-0566 or e-mail stanton.d.mato@hawaii.gov if they have any questions, or you may call me at 587-4700.

Attachment

ENERGY SAVINGS PERFORMANCE CONTRACTING (ESPC) TRAINING PROGRAM

December 18, 2009

Kalanimoku Building
1151 Punchbowl Street
Honolulu, Hawaii
Room 322 B, C

Presented by DAGS Public Works Division, and
David Birr of Synchronous Energy Solutions Inc.

9:00 – 9:15 a.m.	**Introduction and Overview of the Agenda**
9:15 – 9:45	**SPO Overview of the ESPC Vendor List Contract Process**
9:45- 10:00	**Current and Ongoing ESPC Projects** • **DAGS** • **UH Community Colleges** • **HPHA**

10:00 - 10:50	**Experience with the Current Process, Lessons Learned and Suggestions for Improvement to the Vendor List Contract Process –Panel Discussion of State Agencies and Energy Service Companies (ESCOs)**
	• **Describe your experience in using the Vendor List Contracts thus far?**
	• **Realistic Project timelines?**
	  ○ **What are the economic risks of excessive speed?**
	  ○ **What are the economic risks of long project delays?**
	• **How can an ESPC project reduce future operation and maintenance (O&M) costs and maintain the original design performance of the equipment?**
	• **How can an ESPC project produce environmental benefits and promote renewable energy options?**
	• **How does an ESPC project create jobs in the local economy?**
	• **How are ESPC projects dependent on the State utility budgeting process?**
	• **The role of customer training, communications and awareness in project performance.**

10:50 – 11:00	**Break**

11:00-12:00	**ESPC Overview: Why Use Performance Contracting in State Facilities?** • **Benefits of ESPC** • **Comparison of ESPC to conventional bid & spec procurements** • **The long run vs. the short run perspective in the management of public resources**
12:00-1:00 p.m.	**Lunch Break**
1:15-2:15	**Case Study of the DAGS ESPC Project** • **Economic and technical factors in Energy Conservation Measure (ECM) Selection** • **Agency project management responsibilities** • **Understanding Economic Sensitivity Analyses and Life Cycle Costs** • **Developing realistic and feasible Project Cash Flows** • **ESPC in a fiscal crisis environment**
2:15-2:30	**Economics of Performance-Based Maintenance**
2:30-2:45	**Break**
2:45-3:15	**Project Financing: The Realities of the Current Credit Markets for State ESPC Projects**

3:15-4:00	**Understanding the Role of Savings Measurement and Verification (M&V) Savings for the Long Run**
	• **Getting real about risk**
	  ○ **Audit quality and design risk**
	  ○ **Installation quality and project commissioning**
	  ○ **Factors that affect long term performance**
	• **What are the tangible benefits of M&V?**
	• **How much does it cost to develop a Baseline?**
	• **The different choices among M&V strategies in the International Performance Measurement and Verification Protocol (IPMVP) and the expected levels of data reliability**
	  ○ **Stipulated savings**
	  ○ **One time post installation measurement**
	  ○ **Continuous and ongoing measurement**
	• **Can or should different M&V strategies be used with different types of technologies?**
	• **What is the tradeoff between data accuracy, savings persistence and the cost of various M&V strategies?**

4:00 – 4:30	**After the design and construction is complete, what's next?**
4:30	**Adjourn**